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ROMAN
CORPORATION
LIMITED

ANNUAL
REPORT



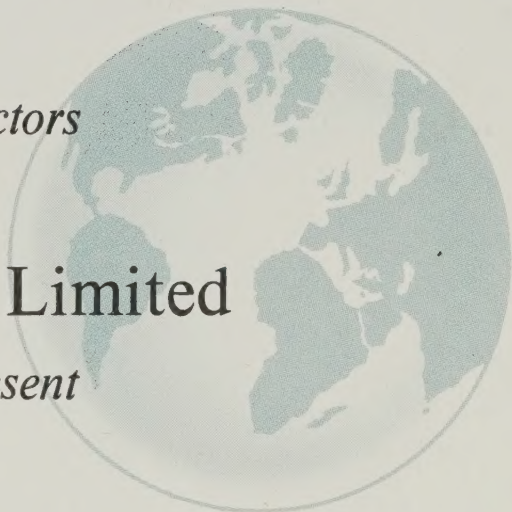
FOR THE YEAR ENDED JUNE 30, 1968



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The
Officers and Directors
of
Roman Corporation Limited
are pleased to present
The Fourth
Annual Report
to the
shareholders
for the year ended
June 30th



1968



TO explore, to find and to exploit. These are the basic precepts of endeavour upon which mankind has sought to build all the vital achievements of his race.



Driven by the relentless forces of the Nature that created him, man must forever seek out the hidden treasures of his environment and thus bend them to his progress.

Guided by virtuous intention, sustained by wisdom of purpose and strengthened by a diligent determination for success, man can, by the fruits of his own invention, attain his destiny.

ROMAN CORPORATION LIMITED

363-4991

OFFICERS

STEPHEN B. ROMAN, K.C.S.G., LL.D.

Chairman and President

JOHN S. GRANT, Q.C., *Vice-President*

JOHN C. PUHKY, *Secretary & Treasurer*

DIRECTORS

JOHN KOSTUIK, B.Sc.

J. J. C. EVANS

HARVEY J. MCFARLAND, SR.

R. A. RULE

JOSEPH J. RANKIN

BEN REGAN

JOHN S. GRANT, Q.C.

G. R. BALL

LIONEL R. MONTPETIT

A. HOADLEY MITCHELL, S.B.

STEPHEN B. ROMAN, K.C.S.G., LL.D.

ROMAN CORPORATION LIMITED



AUDITORS

EDDIS & ASSOCIATES

Toronto, Ontario

BANKERS

THE ROYAL BANK OF CANADA

Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

GUARANTY TRUST COMPANY OF CANADA

Toronto, Ontario

HEAD OFFICE

4 KING STREET WEST

TORONTO 1, ONTARIO

President's Report

To the Shareholders:

It is with pleasure that I report to the shareholders on another progressive year in the comparatively young history of Roman Corporation Limited.

You will note gratifying evidence of the year's attainment in the enclosed financial statements which cover the fiscal period ending June 30, 1968.

Net profit at \$1,140,359, is nearly double the earnings of the previous year. Retained earnings — another firm measure of your company's advance — have risen to \$7,610,322. This is equivalent to \$2.91 per share.

Again, we have increased our holdings in Denison Mines Limited. This investment, which now consists of 1,108,405 shares, continues to yield a high return which is your company's principal income source. At the same time, the Roman Corporation holding in Denison represents the largest single interest, (approximately 25%), in a company which has not only the world's largest uranium ore body, but has grown to become one of Canada's significant corporations.

While Denison's interests in the petroleum and construction industries in themselves are important, that company continues to build upon its world-wide role and reputation in uranium exploration, production and marketing.





Recently, Denison has concluded a long-term exploration agreement with leading Japanese power utilities, calling for joint uranium search and development ventures in both Canada and the United States.

Reported increases during the past year in proposed nuclear power usage, coupled with the lack of discovery of any notable new reserves of uranium, put Denison's orebody, the largest in the world, in an excellent position for long-term profitability and further enhances it as a dependable source of uranium for present and potential consumers.

Up to this date, however, the unfortunate decision of the Canadian Government some three years ago not to approve Denison's negotiated contract with France is still plaguing the Canadian uranium industry. The primacy that Canada has enjoyed in that strategic natural resource industry was put in jeopardy, and only a joint effort between the Canadian government and the industry can re-establish our original leadership. We hurt no one but ourselves when we seek to arbitrarily police the end-use of an export product on the soil of a sovereign nation of the Western world pledged to democracy and the peaceful uses of atomic energy.

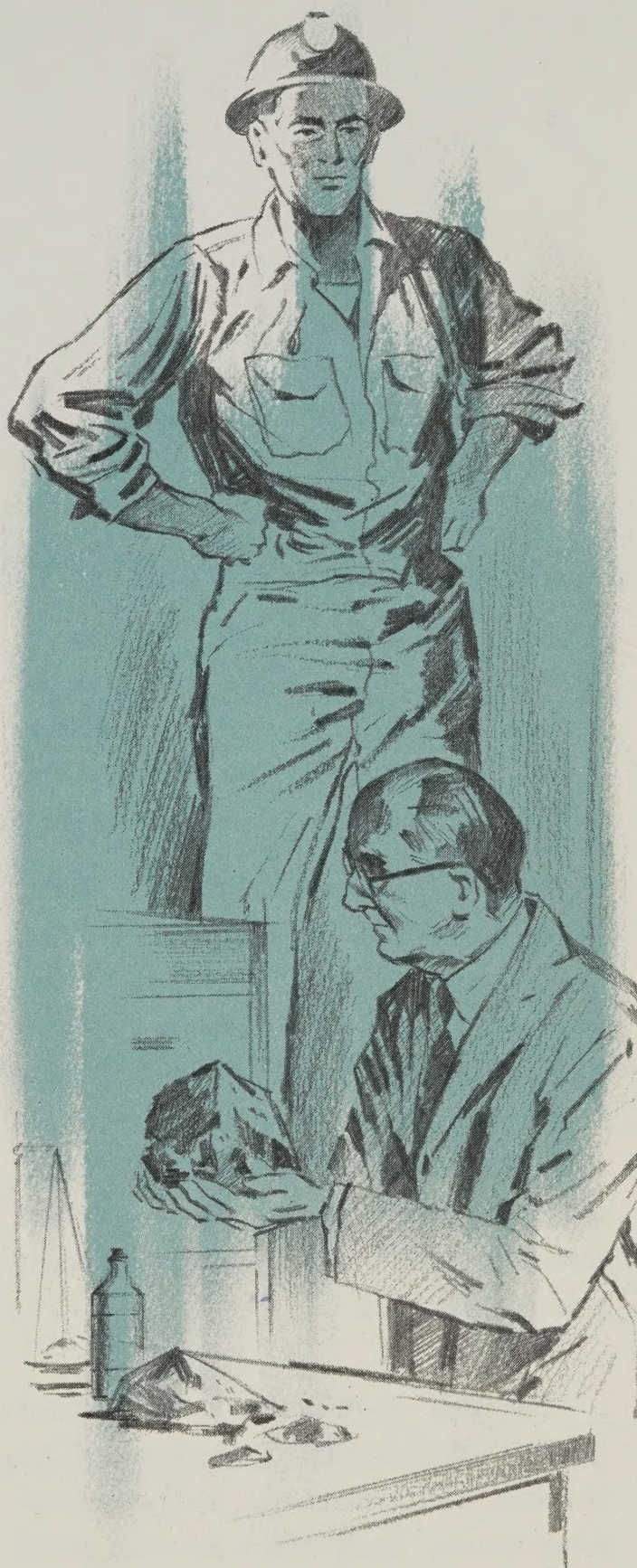
We hope that Canada's new government will re-appraise its inherited policy in the light of trade realities. What Canada refuses to sell is available without

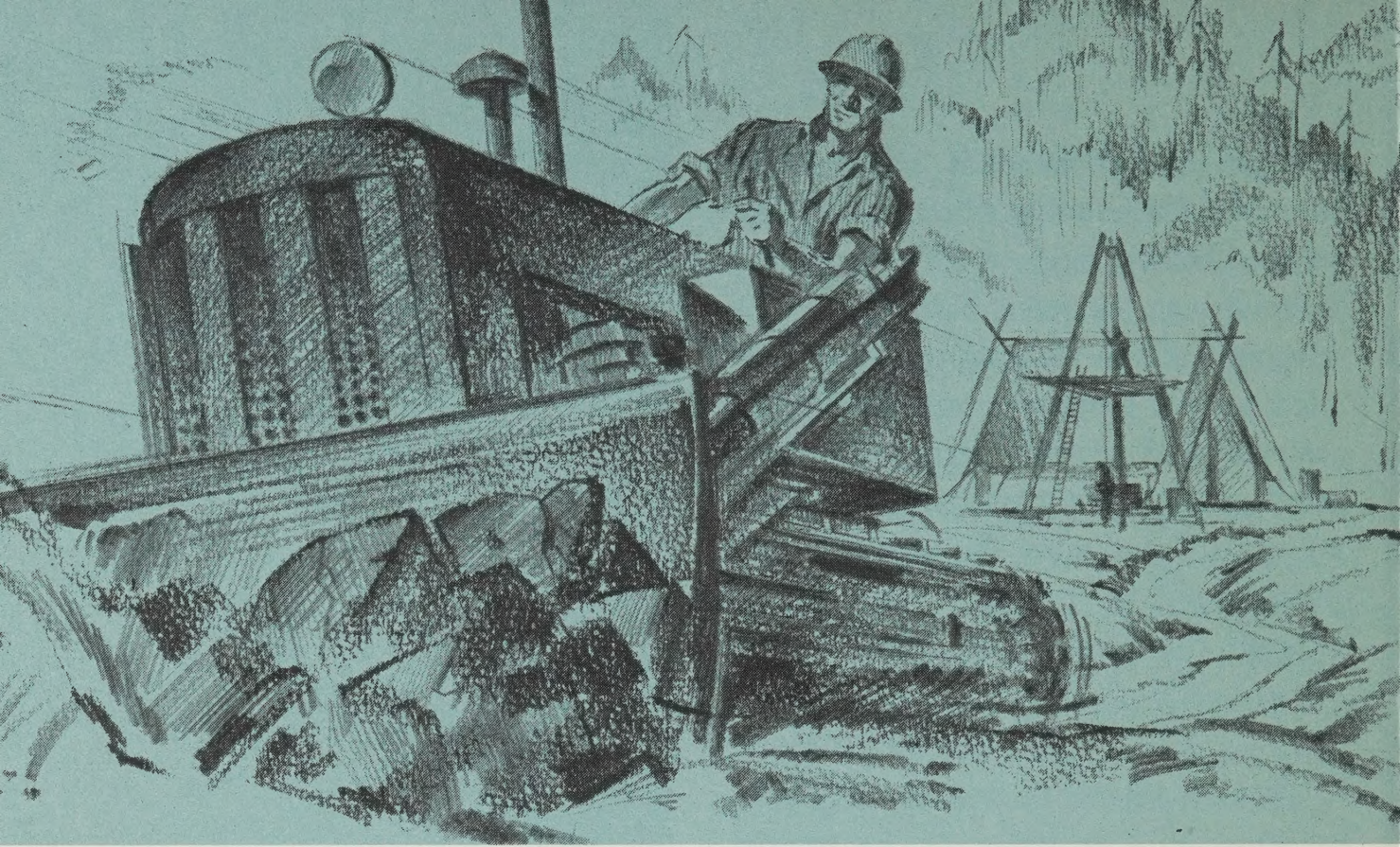
artificial restriction from other world sources. Canadian producers will continue to be at a severe disadvantage until a more realistic and valid approach is adopted. Given an equal chance, Canada's private producers, with their large reserves and efficient production, can compete successfully with producers anywhere. They must be assisted, not handicapped, in satisfying the world's demand for uranium for peaceful purposes.

We envisage an increasingly profitable uranium industry which will be pressed to meet the need for nuclear fuel in the 1970's. Such a build-up of demand will make many Western world countries competitive with each other for existing world reserves and should serve to prompt an early and positive re-appraisal by Ottawa of Canada's uranium export policy. Roman Corporation, through its large investment in Denison Mines Limited, is confident that it will be the beneficiary of this accelerated interest.

Your company recognizes that the search for, and development of new uranium deposits in Canada has become an urgent and essential investment for the long-term health of the industry.

Keeping this in mind, your company, during the year ahead, will further its search efforts for uranium. An increasing number of prominent European companies, and companies in the United States, are interested in joining Denison





and Roman Corporation on joint exploration ventures.

One example of this co-operation is the large-scale exploration program being jointly sponsored by Denison, Roman Corporation, Atlantic Richfield, International Mining and Goldray Mines Limited in northern Saskatchewan and Manitoba. This long-term program envisages systematic coverage of a 2,600 square mile section in the northeast corner of Saskatchewan and an adjacent area of Manitoba.

The first season's work commenced in May of this year, and involved an airborne electromagnetic and magnetometer survey, along with a separate aerial spectrometer survey. Reconnaissance geological surveys were also undertaken, in order to assist in interpretation of the airborne geophysical information ob-

tained. Results thus far are highly encouraging.

Detailed follow-up investigation is being planned for a number of the geophysical anomalies recorded. Next season's exploration program will also include diamond drilling where indicated.

Other promising ventures in which Roman Corporation, Denison and other companies share interests are being investigated or initiated.

Although your management believes that Canada continues to offer opportunities for investment that are both sound and exciting, Roman Corporation is also investigating potential investments in other countries.

Beyond its exploration involvements, Roman Corporation is laying greater

stress on examination of new investment opportunities. These will not necessarily be confined to the natural resource industries. Roman Corporation will examine needs or developments that will help Canadian industry expand and help Canadians achieve more jobs, homes, amenities and support for their initiative and enterprise.

As Canadians, with a country wealthy in natural resources that need energy and skills for development, we must welcome new citizens. We should encourage industrious people to come to this country, as we did in the 1930's, and in the years following World War II, when many men and women came to Canada to better their fortune and future.

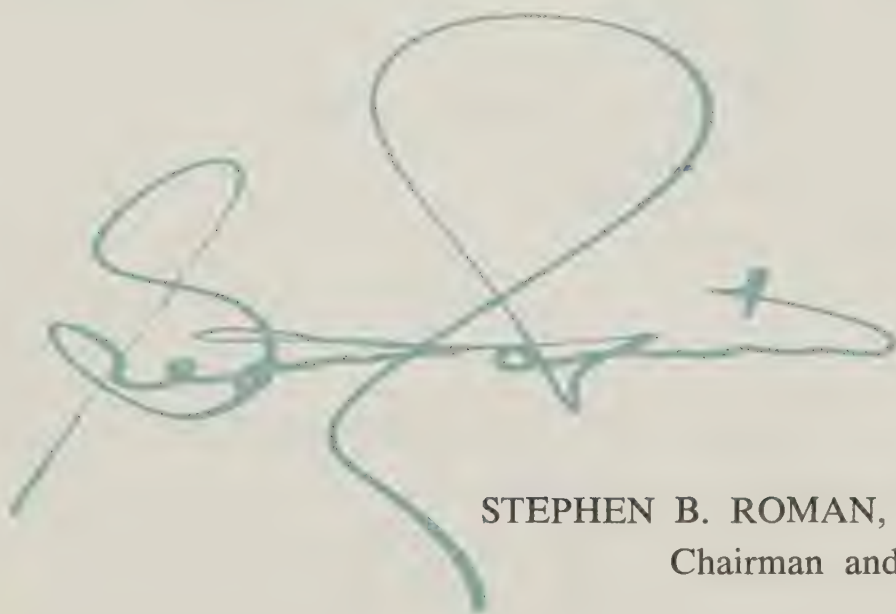
May I emphasize that Canada is a fortunate nation, with its stable economy

and its individualistic and aggressive people. Protection of these values and liberties must, however, be effected by strict vigil against complacency.

To our country have come many restless men and women who have left their homelands rather than submit to tyranny and despotism. Canada should welcome such people, for they are staunch guarantees that this country's traditions of liberty and its climate of respect for the individual will be appreciated and defended.

Roman Corporation, its directors, officers and staff, look forward with confidence to another year of progress and growth for the company, through undertakings that contribute to Canada's prosperity.

On behalf of the Board of Directors,

A large, stylized handwritten signature in dark ink, likely belonging to Stephen B. Roman. The signature is fluid and cursive, with a prominent loop at the top and a long, sweeping underline.

STEPHEN B. ROMAN,
Chairman and President.

Toronto, Ontario,
October 31, 1968.

ROMAN CORPORATION LIMITED

Balance Sheet AS AT JUNE 30, 1968

ASSETS

CURRENT

Marketable securities, at quoted value
Accounts receivable and prepaid expenses

Shares in other companies held for investment, at cost (quoted market value
of listed shares 1968 \$82,889,574; 1967 \$81,923,289)

Office furnishings, leasehold improvements and automobiles, at cost
less accumulated depreciation of \$285,126 (1967 \$242,701)

Mining properties, at cost

OTHER

Deposits with provincial governments
Sundry advances and deposits
Life insurance — cash surrender value

LIABILITIES

CURRENT

Bank advances (secured)
Accounts payable and accrued charges
Income taxes payable (note 2)

Bankers' demand loans secured by shares held for investment

CAPITAL STOCK

Authorized:
5,000,000 shares without par value
Issued and fully paid
2,613,000 shares

Contributed surplus

Earned surplus

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board,

JOHN S. GRANT, Director.

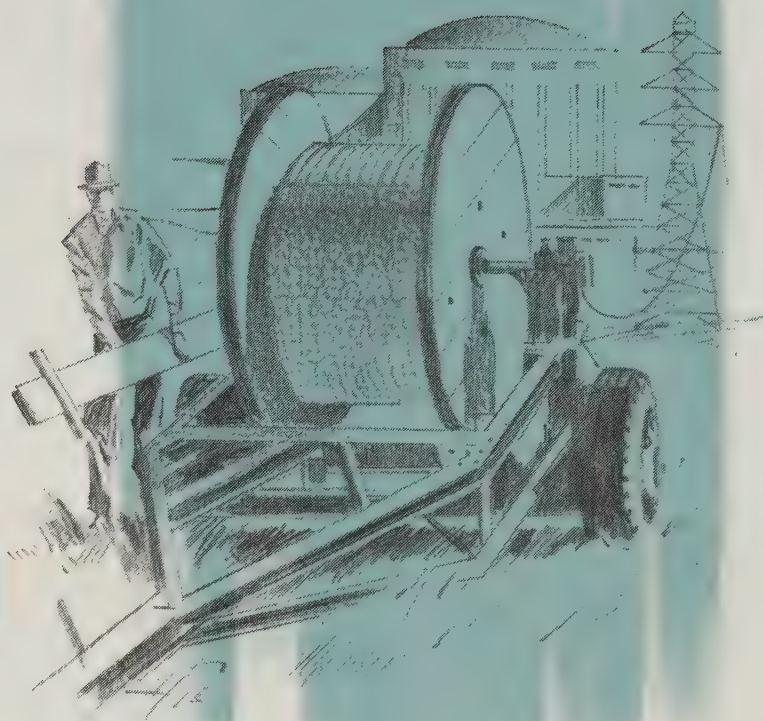
BEN REGAN, Director.



1968	1967
1,905,578	—
39,079	20,287
<u>1,944,657</u>	<u>20,287</u>
18,290,966	17,857,051
152,722	142,671
<u>28,077</u>	<u>13,720</u>
72,672	—
12,310	1,195
75,187	65,728
<u>160,169</u>	<u>66,923</u>
<u>\$20,576,591</u>	<u>\$18,100,652</u>

1,570,752	16,319
28,740	24,151
471,932	250,189
<u>2,071,424</u>	<u>290,659</u>
<u>6,807,470</u>	<u>7,100,000</u>

3,806,777	3,806,777
280,598	280,598
7,610,322	6,622,618
<u>11,697,697</u>	<u>10,709,993</u>
<u>\$20,576,591</u>	<u>\$18,100,652</u>



AUDITORS' REPORT

To the Shareholders,
Roman Corporation Limited.

We have examined the balance sheet of Roman Corporation Limited as at June 30, 1968 and the statements of operations, earned surplus and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.



In our opinion, these financial statements present fairly the financial position of the company as at June 30, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

EDDIS & ASSOCIATES,
Chartered Accountants.

Toronto, Canada,
July 19, 1968.

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 1968

1. Comparative figures for statements other than the balance sheet have not been provided since the company, as presently constituted, did not come into existence until November 21, 1966.
2. The company has received Federal tax reassessments for the years 1962 to 1965 and Ontario tax reassessments for the years 1962 to 1966 of the income of certain of the companies which have amalgamated as the company. The resulting liability for income taxes of \$394,876 has been recorded in the company's accounts, including \$145,970 recorded in the current year, and security has been given to the tax authorities. The company is disputing all of these reassessments.

No provision has been made in the accounts for any tax liability which may become exigible for fiscal years subsequent to the above reassessed years due to transactions which might be considered to be similar to those in respect of which these reassessments were issued.



STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED JUNE 30, 1968

Balance — July 1, 1967	
Net profit for the year	
DEDUCT	
Income tax reassessed against predecessor companies (note 2)	
Mining properties written off	
Balance — June 30, 1968	

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED JUNE 30, 1968

SOURCE OF FUNDS	
Net profit for the year	
Depreciation	
APPLICATION OF FUNDS	
Purchase of mining properties	
Purchase of shares for investment	
Purchase of fixed assets (net)	
Reduction of bankers' demand loans	
Income tax reassessed against predecessor companies	
Acquisition of other assets	
Increase in working capital	
Working capital deficiency — July 1, 1967	
Working capital deficiency — June 30, 1968	

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 1968

REVENUE	
Dividends	
Profit from security transactions	
Services and rent	
EXPENSES	
Consulting fees and expenses	
Directors' and senior officers' remuneration, as defined by the Corporations Act of Ontario	
Donations	
Exploration and development	
Interest	
Office rent and administration	
Depreciation	
Net profit before income taxes	
Estimated income taxes	
Net profit for the year	

.....	6,622,618	
.....	<u>1,140,359</u>	
	7,762,977	
.....	145,970	
.....	<u>6,685</u>	152,655
		<u>\$7,610,322</u>

.....	1,140,359	
.....	<u>43,747</u>	1,184,106
.....	21,042	
.....	433,915	
.....	53,798	
.....	292,530	
.....	145,970	
.....	<u>93,246</u>	1,040,501
		143,605
		270,372
		<u>\$ 126,767</u>

.....	1,556,384	
.....	272,170	
.....	<u>212,000</u>	2,040,554
.....	12,383	
.....	44,100	
.....	<u>100,000</u>	
.....	<u>6,549</u>	
.....	478,240	
.....	138,068	
.....	<u>43,747</u>	823,087
		1,217,467
		77,108
		<u>\$1,140,359</u>

6,743,61





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ROMAN CORPORATION LIMITED

INTERIM REPORT



SIX MONTHS ENDED DECEMBER 31, 1968

ROMAN CORPORATION LIMITED

4 KING STREET WEST • TORONTO 1, CANADA

TO THE SHAREHOLDERS:

This interim report for your Company, covering the six-month period ended December 31, 1968, shows a significant increase in revenue and net profit. Net income of \$671,700 before income taxes is ahead 25% from income of \$539,900 in the six months ended December 31, 1967.

The earnings for the period are equal to 22.6¢ per share, the higher revenue level being the result of security transactions and the greater dollar return from dividends arising from your Company's increased holdings in Denison Mines Limited.

Shareholders will recall that the last annual report described the expanded exploration activity that is being undertaken by your Company, in association with others.

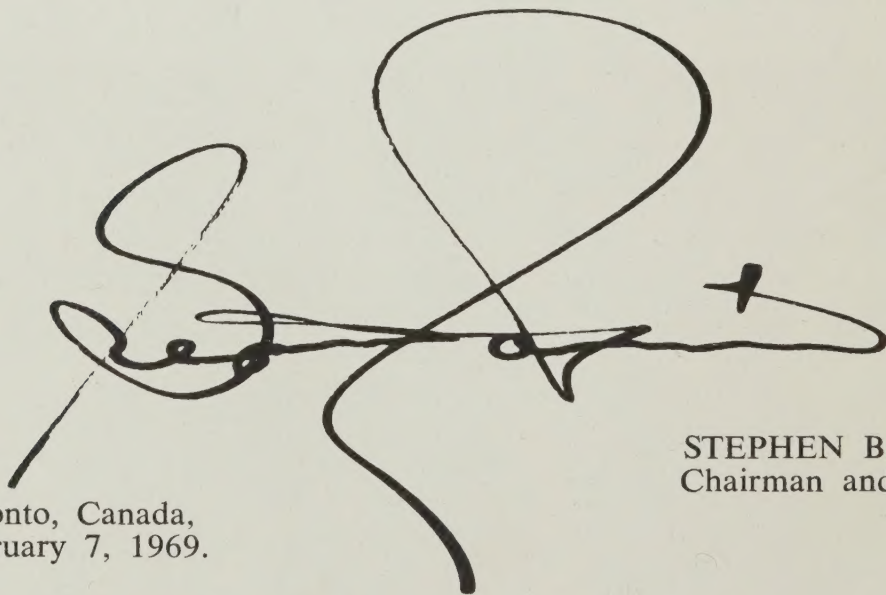
Special importance is given to the programs in Saskatchewan and Manitoba where Roman Corporation in a joint venture arrangement with Denison, Goldray Mines Limited, Atlantic Richfield Company and International Mining Corporation, will be involved in a major follow-up effort this season on a large permit section which has a number of anomalous areas.

Also in northern Saskatchewan, Roman Corporation is associated with Denison, Goldray and Black Hawk Mining Ltd. in an extensive ground program being launched this year. The work will range over five permits involving some 900,000 acres.

Most recently a third project in Saskatchewan has been initiated, in association with Goldray, Black Hawk and Vespar Mines Limited involving three permits comprising some 575,000 acres, acquired on a structure to the west of the Wollaston Lake region.

The Wollaston Lake sector of Saskatchewan is currently of high interest for uranium potential and has been the centre of widespread activity. Roman Corporation's holdings and interests were established early and your management believes them to be highly favorable not only for uranium possibilities but for other minerals as well.

On behalf of the Board of Directors,

A large, stylized handwritten signature in black ink, likely belonging to Stephen B. Roman, the Chairman and President. The signature is fluid and cursive, with a large loop at the top and a long, sweeping underline.

STEPHEN B. ROMAN,
Chairman and President

Toronto, Canada,
February 7, 1969.

ROMAN CORPORATION LIMITED

SIX MONTHS ENDED DECEMBER 31

SUMMARY OF EARNINGS	1968	1967
Gross income	\$1,118,500	\$ 875,900
Net income before income taxes	\$ 671,700	\$ 539,900
Taxes on income	\$ 81,500	nil
Net income for period	\$ 590,200	\$ 539,900

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Source of Funds

Net income for period	\$ 590,200	\$ 539,900
Depreciation	22,600	19,600
Advance repaid	10,000	nil
	<u>\$ 622,800</u>	<u>\$ 559,500</u>

Application of Funds

Addition to fixed assets	\$ 28,600	\$ 25,700
Bankers' demand loans reduced	764,500	477,600
Deposit re mineral exploration	68,400	72,700
Mineral exploration costs	nil	8,400
Increase in shares held for investment .	nil	31,800
Income tax re-assessments, predecessor companies	nil	145,700
	<u>\$ 861,500</u>	<u>\$ 761,900</u>
* Decrease in working capital	<u>\$ 238,700</u>	<u>\$ 202,400</u>

* Resulting from reduction of bankers' demand loans shown as a non-current liability on the Company's balance sheet.

